

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1923 - HB 1427

March 26, 2009

SUMMARY OF BILL: Defines "farmgate sales" as the sale of products and animals by a farmer or farmer's family to individuals while on farm land owned by the farmer or farmer's family. Creates the "Tennessee Small Farm Economic Revitalization Act" which exempts farmgate sales from government regulation. Requires all farmgate sale items be labeled with the owner's name, farm address, and farm telephone number. Prohibits restaurants, stores, and corporations from making farmgate purchases.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$1,800

Assumptions:

- According to the Department of Agriculture, a review of facilities that are currently licensed by the Department indicated that all 30 egg farm operations in the state would qualify as a farmgate sales operation and therefore be exempt from the licensing. The current license fee is \$50. The estimated loss in recurring state revenue is estimated to be \$1,500 (30 egg farms x \$50 license fee).
- Five domestic kitchens that raise their own ingredients would qualify as a farmgate sales operation and therefore be exempt from licensure by the Department. The current license fee is \$50. The estimated loss in recurring state revenue is estimated to be \$250 (5 domestic kitchens x \$50 license fee).
- Total estimated loss in recurring state revenue is \$1,750.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

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